

March 14, 2000

MEMORANDUM FOR DISTRIBUTION

FROM: RICHARD LOYD, DIRECTOR /s/
OFFICE OF FINANCIAL CONTROL
AND REPORTING

SUBJECT: Revised Reporting Procedures for Deposit Funds

Background

Both the Department of the Treasury (Treasury) and the Office of Management and Budget (OMB) are concerned that deposit fund accounts are not being used correctly. Many deposit funds contain budgetary amounts, have chronic negative balances, as well as other problems. As a result, Treasury has issued revised procedures with respect to deposit funds (Attachment 1). All agencies must conform to the new requirements and reporting procedures by **June 30, 2000**.

Deposit funds (89X6xxx) are used to temporarily record and hold monies that **do not** belong to the Federal Government. Some examples include 1) state and local income taxes withheld pending payment; 2) deposits held for which the government is solely a banker, fiscal agent, or custodian; and 3) monies held awaiting distribution on the basis of a legal determination or investigation. Deposit funds are **excluded** from the Federal budget.

In contrast, clearing accounts (89F38xx) are used for unclassified transactions when there is a reasonable presumption that the amounts belong to the Federal Government. Clearing accounts hold transactions that will subsequently be credited to a Federal receipt or expenditure account. Clearing accounts are **included** in the Federal budget.

Summary of the New Requirements/Procedures

1. Deposit funds will **no longer** include unidentified remittances. You must credit unidentified remittances from the public to 89F3875, "Budget clearing account (suspense)." Credit unclassified transactions between Federal agencies, including OPAC transactions, to 89F3885, "Undistributed intergovernmental payments." You should assume that transactions represent budgetary activity unless there is a reasonable presumption that they are non-budgetary.
2. Deposit fund 89X6875, "Suspense," will be **discontinued**. As of June 30, 2000, you must transfer all balances from this account into appropriate clearing accounts, other existing

deposit fund accounts, new deposit funds now available (see #3 below), or into a newly established deposit fund account. Treasury will close this account, and no additional transactions will be allowed to be recorded into 89X6875 after June 30, 2000. Please advise us immediately if you believe you have a special situation warranting the establishment of a new deposit fund account. Headquarters staff will work in conjunction with OMB and Treasury to authorize and set up any new required deposit accounts.

3. The following new deposit funds have been established and are now available as appropriate:
 - a) **Advances without orders from non-Federal sources (89X6500)** - Use this account for advances without orders from non-Federal sources. However, credit advances without orders from another Federal agency to 89F3885.
 - b) **Small escrow amounts (89X6501)** - Use this account for small escrow amounts held less than 1 year. Headquarters will monitor use of this account to ensure that the total does not exceed \$1 million in the aggregate.
 - c) **Other Federal payroll withholding allotments (89X6276)** - Use this account only when Federal payroll withholding amounts, not including deductions for U.S. Savings Bonds, must be held to make periodic payments.
4. Deposit funds must hold non-Government monies for only one specific purpose. For example, 89X6425 should only contain the uninvested balance of collections from alleged violators of DOE regulations and not advances for co-sponsored projects, which should be held in 89X6424.
5. Deposit funds should never have a **negative** balance. Over disbursement of a deposit fund constitutes an Anti-Deficiency Violation and should be reported promptly.
6. Deposit funds should not be used to “temporarily” clear Statement of Differences amounts.

Review of Existing Deposit Funds

As a first step, and before we issue final guidance on the new requirements, each Field Office/Power Marketing Administration will need to review all balances in their deposit fund accounts (with particular attention to 89X6875, which will be discontinued very shortly). Deposit fund balances by office as of February 29, 2000, are identified in Attachment 2. Your review should include the following:

For 89X6875

1. Identify all items currently contained in this account that constitute amounts that belong to the Federal Government for transfer to the appropriate clearing account and eventual credit to the applicable receipt or expenditure account.
2. For those items that are not the property of the Federal Government, you must determine if there is an existing DOE deposit account that it should be transferred to, if it may appropriately fit into any of the three newly established deposit funds, or if there is a potential need for a new DOE deposit fund to be established. Please advise us immediately if a new account may need to be established.

For All Other Deposit Funds

1. Identify all items contained in these accounts that constitute amounts that belong to the Federal Government for transfer to the appropriate clearing account and eventual credit to the applicable receipt or expenditure account.
2. Ensure that each deposit fund holds non-Government monies for only the one specific purpose for which it is authorized.
3. Correct any negative balances currently in any deposit fund account and ensure that negative balances do not recur.

Please review the new requirements and procedures outlined above. Advise us of any specific concerns or current/potential problems that you encounter or foresee in the implementation of the new deposit fund reporting procedures by **March 28, 2000**.

After reviewing all input/feedback received, new balance sheet codes, standard map codes, etc., will be developed as necessary. We plan to issue final guidance by May 1, 2000. Please address any questions or concerns regarding the above to Scott Chayette on (301) 903-9705 or e-mail (scott.chayette@hq.doe.gov).

Attachments

cc:
(See next page.)

cc:

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Planning, and Analysis, NE-10
Office of the Deputy Assistant Secretary for
Policy, Planning, and Budget, EM-20
Associate Director, Office of
Resource Management, SC-60
Office of Budget and Financial Management, FE-3
Director, Office of Management
and Operations, EE-60
Director, Accounting Division, CR-52
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PML, 8G-027/FORS

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Chief Financial Officer, FERC

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Thru: Director, Office of Naval Reactors, NE-60

Director, Finance Division, SNR

Thru: Director, Office of Naval Reactors, NE-60

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Chief Financial Officer, NETL Morgantown)

J. Scotchie, NETL (Pittsburgh)

Director, Capital Accounting Center, CR-50

Director, Finance Division, NPR in CO,

UT, & WY

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Thru: Assistant Administrator for BPA, Washington Liaison

8G-061/FORS

Nancy Hill, Finance and Accounting, APA

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Subject

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